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1st Session | HOUSE OF REPRESENTATIVES | REPORT
102-228

EMERGENCY UNEMPLOYMENT COMPENSATION

OCTOBER 1, 1991.—Ordered to be printed

Mr. ROSTENKOWSKI, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany S. 1722]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1722) to provide emergency unemployment compensation, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment, insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Emergency Unemployment Compensation Act of 1991".

TITLE I—EMERGENCY UNEMPLOYMENT COMPENSATION PROGRAM

SEC. 101. FEDERAL-STATE AGREEMENTS.

(a) IN GENERAL.—Any State which desires to do so may enter into and participate in an agreement under this Act with the Secretary of Labor (hereafter in this Act referred to as the "Secretary"). Any State which is a party to an agreement under this Act may, upon providing 30 days written notice to the Secretary, terminate such agreement.

(b) PROVISIONS OF AGREEMENT.—Any agreement under subsection (a) shall provide that the State agency of the State will make payments of emergency unemployment compensation—

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(1) to individuals who—

(A) have exhausted all rights to regular compensation under the State law,

(B) have no rights to compensation (including both regular compensation and extended compensation) with respect to a week under such law or any other State unemployment compensation law or to compensation under any other Federal law (and are not paid or entitled to be paid any additional compensation under any State or Federal law), and

(C) are not receiving compensation with respect to such week under the unemployment compensation law of Canada, and

(2) for any week of unemployment which begins in the individual's period of eligibility (as defined in section 106(2)).

(c) EXHAUSTION OF BENEFITS.—For purposes of subsection (b)(1)(A), an individual shall be deemed to have exhausted such individual's rights to regular compensation under a State law when—

(1) no payments of regular compensation can be made under such law because such individual has received all regular compensation available to such individual based on employment or wages during such individual's base period, or

(2) such individual's rights to such compensation have been terminated by reason of the expiration of the benefit year with respect to which such rights existed.

(d) WEEKLY BENEFIT AMOUNT.—For purposes of any agreement under this Act—

(1) the amount of emergency unemployment compensation which shall be payable to any individual for any week of total unemployment shall be equal to the amount of the regular compensation (including dependent's allowances) payable to such individual during such individual's benefit year under the State law for a week of total unemployment,

(2) the terms and conditions of the State law which apply to claims for extended compensation and to the payment thereof shall apply to claims for emergency unemployment compensation and the payment thereof, except where inconsistent with the provisions of this Act, or with the regulations or operating instructions of the Secretary promulgated to carry out this Act, and

(3) the maximum amount of emergency unemployment compensation payable to any individual for whom an account is established under section 102 shall not exceed the amount established in such account for such individual.

(e) ELECTION.—Notwithstanding any other provision of Federal law (and if State law permits), the Governor of a State in a 7-percent period or an 8-percent period, as defined in section 102(c), is authorized to and may elect to trigger off an extended compensation period in order to provide payment of emergency unemployment compensation to individuals who have exhausted their rights to regular compensation under State law.

SEC. 102. EMERGENCY UNEMPLOYMENT COMPENSATION ACCOUNT.

(a) IN GENERAL.—Any agreement under this Act shall provide that the State will establish, for each eligible individual who files

an application for emergency unemployment compensation, an emergency unemployment compensation account with respect to such individual's benefit year.

(b) AMOUNT IN ACCOUNT.—

(1) IN GENERAL.—The amount established in an account under subsection (a) shall be equal to the lesser of—

(A) 100 percent of the total amount of regular compensation (including dependents' allowances) payable to the individual with respect to the benefit year (as determined under the State law) on the basis of which the individual most recently received regular compensation, or

(B) the applicable limit times the individual's average weekly benefit amount for the benefit year.

(2) APPLICABLE LIMIT.—For purposes of this section—

(A) IN GENERAL.—Except as provided in this paragraph, the applicable limit shall be determined under the following table:

In the case of weeks beginning during a:	*The applicable limit is:*
8-percent period	*20*
7-percent period	*13*
6-percent period or other period	*7.*

(B) APPLICABLE LIMIT NOT REDUCED.—An individual's applicable limit for any week shall in no event be less than the highest applicable limit in effect for any prior week for which emergency unemployment compensation was payable to the individual from the account involved.

(C) INCREASE IN APPLICABLE LIMIT.—If the applicable limit in effect for any week is higher than the applicable limit for any prior week, the applicable limit shall be the higher applicable limit, reduced (but not below zero) by the number of prior weeks for which emergency unemployment compensation was paid to the individual from the account involved.

(3) REDUCTION FOR EXTENDED BENEFITS.—The amount in an account under paragraph (1) shall be reduced (but not below zero) by the aggregate amount of extended compensation (if any) received by such individual relating to the same benefit year under the Federal-State Extended Unemployment Compensation Act of 1970.

(4) WEEKLY BENEFIT AMOUNT.—For purposes of this subsection, an individual's weekly benefit amount for any week is the amount of regular compensation (including dependents' allowances) under the State law payable to such individual for such week for total unemployment.

(c) DETERMINATION OF PERIODS.—

(1) IN GENERAL.—For purposes of this section, the terms "8-percent period", "7-percent period", "6-percent period", and "other period" mean, with respect to any State, the period which—

(A) begins with the second Sunday of the month after the first month during which the applicable trigger for such period is on, and

(B) ends with the Saturday immediately preceding the second Sunday of the month after the first month during which the applicable trigger for such period is off.

(2) APPLICABLE TRIGGER.—In the case of an 8-percent period, 7-percent period, 6-percent period, or other period, as the case may be, the applicable trigger is on for any week with respect to any such period if the average rate of total unemployment in the State for the period consisting of the most recent 6-calendar month period for which data are published—

(A) equals or exceeds 6 percent, and

(B) falls within the applicable range (as defined in paragraph (3)).

Subparagraph (A) shall only apply in the case of an 8-percent period, 7-percent period, or 6-percent period.

(3) APPLICABLE RANGE.—For purposes of this subsection, the applicable range is as follows:

In the case of a:	*The applicable range is:*
8-percent period	*A rate equal to or exceeding 8 percent.*
7-percent period	*A rate equal to or exceeding 7 percent but less than 8 percent.*
6-percent period	*A rate equal to or exceeding 6 percent but less than 7 percent.*
Other period	*A rate less than 6 percent.*

(4) SPECIAL RULES FOR DETERMINING PERIODS.—

(A) MINIMUM PERIOD.—Except as provided in subparagraph (B), if for any week beginning after October 5, 1991, an 8-percent period, 7-percent period, 6-percent period, or other period, as the case may be, is triggered on with respect to such State, such period shall last for not less than 13 weeks.

(B) EXCEPTION IF APPLICABLE RANGE INCREASES.—If, but for subparagraph (A), another period with a higher applicable range would be in effect for such State, such other period shall take effect without regard to subparagraph (A).

(5) NOTIFICATION BY SECRETARY.—When a determination has been made that an 8-percent period, 7-percent period, 6-percent period, or other period is beginning or ending with respect to a State, the Secretary shall cause notice of such determination to be published in the Federal Register.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), no emergency unemployment compensation shall be payable to any individual under this Act for any week—

(A) beginning before the later of—

(i) October 6, 1991, or

(ii) the first week following the week in which an agreement under this Act is entered into, or

(B) beginning after July 4, 1992.

(2) TRANSITION.—In the case of an individual who is receiving emergency unemployment compensation for a week which includes July 4, 1992, such compensation shall continue to be payable to such individual in accordance with subsection (b) for any week beginning in a period of consecutive weeks for each of

which the individual meets the eligibility requirements of this Act.

(3) REACHBACK PROVISIONS.—

(A) IN GENERAL.—If—

(i) any individual exhausted such individual's rights to regular compensation (or extended compensation) under the State law after February 28, 1991, and before the first week following October 5, 1991 (or, if later, the first week following the week in which the agreement under this Act is entered into), and

(ii) a period described in subsection (c)(2)(A) is in effect with respect to the State for the first week following October 5, 1991,

such individual shall be entitled to emergency unemployment compensation under this Act in the same manner as if such individual's benefit year ended no earlier than the last day of such following week.

(B) SPECIAL RULE.—A State not meeting the requirements of subparagraph (A)(ii) shall be treated as meeting such requirements if such State met them for the first week following August 31, 1991.

(C) LIMITATION OF BENEFITS.—In the case of an individual who has exhausted such individual's rights to both regular and extended compensation, any emergency unemployment compensation payable under subparagraph (A) or (B) shall be reduced in accordance with subsection (b)(3).

SEC. 103. PAYMENTS TO STATES HAVING AGREEMENTS FOR THE PAYMENT OF EMERGENCY UNEMPLOYMENT COMPENSATION.

(a) GENERAL RULE.—There shall be paid to each State which has entered into an agreement under this Act an amount equal to 100 percent of the emergency unemployment compensation paid to individuals by the State pursuant to such agreement.

(b) TREATMENT OF REIMBURSABLE COMPENSATION.—No payment shall be made to any State under this section in respect of compensation to the extent the State is entitled to reimbursement in respect of such compensation under the provisions of any Federal law other than this Act or chapter 85 of title 5, United States Code. A State shall not be entitled to any reimbursement under such chapter 85 in respect of any compensation to the extent the State is entitled to reimbursement under this Act in respect of such compensation.

(c) DETERMINATION OF AMOUNT.—Sums payable to any State by reason of such State having an agreement under this Act shall be payable, either in advance or by way of reimbursement (as may be determined by the Secretary), in such amounts as the Secretary estimates the State will be entitled to receive under this Act for each calendar month, reduced or increased, as the case may be, by any amount by which the Secretary finds that his estimates for any prior calendar month were greater or less than the amounts which should have been paid to the State. Such estimates may be made on the basis of such statistical, sampling, or other method as may be agreed upon by the Secretary and the State agency of the State involved.

SEC. 104. FINANCING PROVISIONS.

(a) IN GENERAL.—Funds in the extended unemployment compensation account (as established by section 905 of the Social Security Act) of the Unemployment Trust Fund shall be used for the making of payments to States having agreements entered into under this Act.

(b) CERTIFICATION.—The Secretary shall from time to time certify to the Secretary of the Treasury for payment to each State the sums payable to such State under this Act. The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payments to the State in accordance with such certification, by transfers from the extended unemployment compensation account (as established by section 905 of the Social Security Act) to the account of such State in the Unemployment Trust Fund.

(c) ASSISTANCE TO STATES.—There are hereby authorized to be appropriated without fiscal year limitation, such funds as may be necessary for purposes of assisting States (as provided in title III of the Social Security Act) in meeting the costs of administration of agreements under this Act.

SEC. 105. FRAUD AND OVERPAYMENTS.

(a) IN GENERAL.—If an individual knowingly has made, or caused to be made by another, a false statement or representation of a material fact, or knowingly has failed, or caused another to fail, to disclose a material fact, and as a result of such false statement or representation or of such nondisclosure such individual has received an amount of emergency unemployment compensation under this Act to which he was not entitled, such individual—

(1) shall be ineligible for further emergency unemployment compensation under this Act in accordance with the provisions of the applicable State unemployment compensation law relating to fraud in connection with a claim for unemployment compensation, and

(2) shall be subject to prosecution under section 1001 of title 18, United States Code.

(b) REPAYMENT.—In the case of individuals who have received amounts of emergency unemployment compensation under this Act to which they were not entitled, the State shall require such individuals to repay the amounts of such emergency unemployment compensation to the State agency, except that the State agency may waive such repayment if it determines that—

(1) the payment of such emergency unemployment compensation was without fault on the part of any such individual, and

(2) such repayment would be contrary to equity and good conscience.

(c) RECOVERY BY STATE AGENCY.—

(1) IN GENERAL.—The State agency may recover the amount to be repaid, or any part thereof, by deductions from any emergency unemployment compensation payable to such individual under this Act or from any unemployment compensation payable to such individual under any Federal unemployment compensation law administered by the State agency or under any other Federal law administered by the State agency which provides for the payment of any assistance or allowance with re-

spect to any week of unemployment, during the 3-year period after the date such individuals received the payment of the emergency unemployment compensation to which they were not entitled, except that no single deduction may exceed 50 percent of the weekly benefit amount from which such deduction is made.

(2) OPPORTUNITY FOR HEARING.—No repayment shall be required, and no deduction shall be made, until a determination has been made, notice thereof and an opportunity for a fair hearing has been given to the individual, and the determination has become final.

(d) REVIEW.—Any determination by a State agency under this section shall be subject to review in the same manner and to the same extent as determinations under the State unemployment compensation law, and only in that manner and to that extent.

SEC. 106. DEFINITIONS.

For purposes of this Act:

(1) IN GENERAL.—The terms "compensation", "regular compensation", "extended compensation", "additional compensation", "benefit year", "base period", "State", "State agency", "State law", and "week" have the meanings given such terms under section 205 of the Federal-State Extended Unemployment Compensation Act of 1970.

(2) ELIGIBILITY PERIOD.—An individual's eligibility period shall consist of the weeks in the individual's benefit year which begin in an 8-percent period, 7-percent period, 6-percent period, or other period under this Act and, if the individual's benefit year ends on or after October 5, 1991, any weeks thereafter which begin in any such period. In no event shall an individual's period of eligibility include any weeks after the 39th week after the end of the benefit year for which the individual exhausted his rights to regular compensation or extended compensation.

(3) RATE OF TOTAL UNEMPLOYMENT.—The term "rate of total unemployment" means the average unadjusted total rate of unemployment (as determined by the Secretary) for a State for the period consisting of the most recent 6-calendar month period for which data are published.

TITLE II—DEMONSTRATION PROGRAM TO PROVIDE JOB SEARCH ASSISTANCE

SEC. 201. DEMONSTRATION PROGRAM TO PROVIDE JOB SEARCH ASSISTANCE.

(a) GENERAL RULE.—The Secretary of Labor (hereafter in this title referred to as the "Secretary") shall carry out a demonstration program under this title for purposes of determining the feasibility of implementing job search assistance programs. To carry out such demonstration program, the Secretary shall enter into agreements with 3 States which—

(1) apply to participate in such program, and

(2) demonstrate to the Secretary that they are capable of implementing the provisions of an agreement under this section.

(b) SELECTION OF STATES.—

(1) IN GENERAL.—In determining whether to enter into an agreement with a State under this section, the Secretary shall take into consideration at least—

(A) the size, geography, and occupational and industrial composition of the State,

(B) the adequacy of State resources to carry out a job search assistance program,

(C) the range and extent of specialized services to be provided by the State to individuals covered by the agreement, and

(D) the design of the evaluation to be applied by the State to the program.

(2) REPLICATION OF PRIOR DEMONSTRATION PROJECT.—At least 1 of the States selected by the Secretary under subsection (a) shall be a State which has operated a successful demonstration project with respect to job search assistance under a contract with the Department of Labor. The demonstration program under this title of any such State shall, at a minimum, replicate the project it operated under such contract in the same geographic areas.

(c) PROVISIONS OF AGREEMENT.—Any agreement entered into with a State under this section shall—

(1) provide that the State will implement a job search assistance program during the 1-year period specified in such agreement,

(2) provide that such implementation will begin not later than the date 1 year after the date of the enactment of this Act,

(3) contain such provisions as may be necessary to ensure an accurate evaluation of the effectiveness of a job search assistance program, including—

(A) random selection of eligible individuals for participation in the program and for inclusion in a control group, and

(B) collection of data on participants and members of a control group as of the close of the 1-year period and 2-year period after the operations of the program cease,

(4) provide that not more than 5 percent of the claimants for unemployment compensation under the State law shall be selected as participants in the job search assistance program, and

(5) contain such other provisions as the Secretary may require.

SEC. 202. JOB SEARCH ASSISTANCE PROGRAM.

(a) GENERAL RULE.—For purposes of this title, a job search assistance program shall provide that—

(1) eligible individuals who are selected to participate in the program shall be required to participate in a qualified intensive job search program after receiving compensation under such State law during any benefit year for at least 6 but not more than 10 weeks,

(2) every individual required to participate in a job search program under paragraph (1) shall be entitled to receive an intensive job search program voucher, and

(3) any individual who is required under paragraph (1) to participate in a qualified intensive job search program and who does not satisfactorily participate in such program shall be disqualified from receiving compensation under such State law for the period (of not more than 10 weeks) specified in the agreement under section 201.

(b) ELIGIBLE INDIVIDUAL.—For purposes of this title—

(1) IN GENERAL.—The term "eligible individual" means any individual receiving compensation under the State law during any benefit year if, during the 3-year period ending on the last day of the base period for such benefit year, such individual had at least 126 weeks of employment at wages of $30 or more a week with such individual's last employer in such base period (or, if data with respect to weeks of employment with such last employer are not available, an equivalent amount of employment computed under regulations prescribed by the Secretary).

(2) EXCEPTION.—Such term shall not include any individual if—

(A) such individual has a definite date for recall to his former employment,

(B) such individual seeks employment through a union hall or similar arrangement, or

(C) the State agency—

(i) waives the requirements of subsection (a)(1) for good cause shown by such individual, or

(ii) determines that such participation would not be appropriate for such individual.

(c) QUALIFIED INTENSIVE JOB SEARCH PROGRAM.—For purposes of this section, the term "qualified intensive job search program" means any intensive job search assistance program which—

(1) is approved by the State agency,

(2) is provided by an organization qualified to provide job search assistance programs under any other Federal law, and

(3) includes—

(A) all basic employment services, such as orientation, testing, a job-search workshop, and an individual assessment and counseling interview, and

(B) additional services, such as ongoing contact with the program staff, followup assistance, resource centers, and job search materials and equipment.

(d) INTENSIVE JOB SEARCH VOUCHER.—For purposes of this section, the term "intensive job search voucher" means any voucher which entitles the organization (including the State employment service) providing the qualified intensive job search assistance program to a payment from the State agency equal to the lesser of—

(1) the reasonable costs of providing such program, or

(2) the average weekly benefit amount in the State.

SEC. 203. ADMINISTRATIVE PROVISIONS.

(a) FINANCING PROVISIONS.—

(1) PAYMENTS TO STATES.—There shall be paid to each State which enters into an agreement under section 201 an amount equal to the lesser of the reasonable costs of operating the job search assistance program pursuant to such agreement or the State's average weekly benefit amount for each individual selected to participate in the job search assistance program operated by such State pursuant to such agreement. Funds in the extended unemployment compensation account (as established by section 905 of the Social Security Act) shall be used for purposes of making such payments.

(2) PAYMENTS ON CALENDAR MONTH BASIS.—There shall be paid to each State either in advance or by way of reimbursement, as may be determined by the Secretary, such sum as the Secretary estimates the State will be entitled to receive under this subsection for each calendar month, reduced or increased, as the case may be, by any sum by which the Secretary finds that his estimates for any prior calendar month were greater or less than the amounts which should have been paid to the State. Such estimates may be made on the basis of such method as may be agreed upon by the Secretary and the State agency.

(3) CERTIFICATION.—The Secretary shall from time to time certify to the Secretary of the Treasury for payment to each State the sums payable to such State under this subsection. The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payment to the State in accordance with such certification, by transfers from the extended unemployment compensation account (as established by section 905 of the Social Security Act) to the account of such State in the Unemployment Trust Fund.

(4) SPECIAL RULE.—Notwithstanding any other provision of law, amounts in the account of a State in the Unemployment Trust Fund may be used for purposes of making payments pursuant to intensive job search vouchers provided pursuant to an agreement under this title.

(b) REPORTS TO CONGRESS.—

(1) INTERIM REPORTS.—The Secretary shall submit 2 interim reports to the Congress on the effectiveness of the demonstration program carried out under this title. The 1st such report shall be submitted before the date 2 years after operations under the demonstration program commenced and the 2d such report shall be submitted before the date 4 years after such commencement.

(2) FINAL REPORT.—Not later than the date 5 years after the commencement referred to in paragraph (1), the Secretary shall submit a final report to the Congress on the demonstration program carried out under this title. Such report shall include estimates of program impact, such as—

(A) changes in duration of unemployment, earnings, and hours worked of participants,

(B) changes in unemployment compensation outlays,

(C) changes in unemployment taxes,

(D) net effect on the Unemployment Trust Fund,

(E) net effect on Federal unified budget deficit, and

(F) net social benefits or costs of the program.

(c) DEFINITIONS.—For purposes of this title, the terms "compensation", "benefit year", "State", "State agency", "State law", "base period", and "week" have the respective meanings given such terms by section 106.

TITLE III—OTHER PROVISIONS

SEC. 301. PAYMENTS OF UNEMPLOYMENT COMPENSATION TO FORMER MEMBERS OF THE ARMED FORCES.

(a) REPEAL OF CERTAIN LIMITATIONS.—Subsection (c) of section 8521 of title 5, United States Code, is hereby repealed.

(b) REDUCTION IN LENGTH OF REQUIRED ACTIVE DUTY BY RESERVES.—Paragraph (1) of section 8521(a) of such title 5 is amended by striking "180 days" and inserting "90 days".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to weeks of unemployment beginning on or after the date of the enactment of this Act.

SEC. 302. ADVISORY COUNCIL ON UNEMPLOYMENT COMPENSATION.

Section 908 of the Social Security Act is amended to read as follows:

"ADVISORY COUNCIL ON UNEMPLOYMENT COMPENSATION

"SEC. 908. (a) ESTABLISHMENT.—Not later than February 1, 1992, and every 4th year thereafter, the Secretary of Labor shall establish an advisory council to be known as the Advisory Council on Unemployment Compensation (referred to in this section as the 'Council').

"(b) FUNCTION.—It shall be the function of each Council to evaluate the unemployment compensation program, including the purpose, goals, countercyclical effectiveness, coverage, benefit adequacy, trust fund solvency, funding of State administrative costs, administrative efficiency, and any other aspects of the program and to make recommendations for improvement.

"(c) MEMBERS.—

"(1) IN GENERAL.—Each Council shall consist of 11 members as follows:

"(A) 5 members appointed by the President, to include representatives of business, labor, State government, and the public.

"(B) 3 members appointed by the President pro tempore of the Senate, in consultation with the Chairman and ranking member of the Committee on Finance.

"(C) 3 members appointed by the Speaker of the House, in consultation with the Chairman and ranking member of the Committee on Ways and Means.

"(2) QUALIFICATIONS.—In appointing members under subparagraphs (B) and (C), the President pro tempore of the Senate and the Speaker of the House shall each appoint—

"(A) 1 representative of the interests of business,

"(B) 1 representative of the interests of labor, and

"(C) 1 representative of the interests of State governments.

"(3) VACANCIES.—A vacancy in any Council shall be filled in the manner in which the original appointment was made.

"(4) CHAIRMAN.—The President shall appoint the Chairman.

"(d) STAFF AND OTHER ASSISTANCE.—

"(1) IN GENERAL.—Each council may engage any technical assistance (including actuarial services) required by the Council to carry out its functions under this section.

"(2) ASSISTANCE FROM SECRETARY OF LABOR.—The Secretary of Labor shall provide each Council with any staff, office facilities, and other assistance, and any data prepared by the Department of Labor, required by the Council to carry out its functions under this section.

"(e) COMPENSATION.—Each member of any Council—

"(1) shall be entitled to receive compensation at the rate of pay for level V of the Executive Schedule under section 5316 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the actual performance of duties vested in the Council, and

"(2) while engaged in the performance of such duties away from such member's home or regular place of business, shall be allowed travel expenses (including per diem in lieu of subsistence) as authorized by section 5703 of title 5, United States Code, for persons in the Government employed intermittently.

"(f) REPORT.—

"(1) IN GENERAL.—Not later than February 1 of the second year following the year in which any Council is required to be established under subsection (a), the Council shall submit to the President and the Congress a report setting forth the findings and recommendations of the Council as a result of its evaluation of the unemployment compensation program under this section.

"(2) REPORT OF FIRST COUNCIL.—The Council shall include in its February 1, 1994, report findings and recommendations with respect to determining eligibility for extended unemployment benefits on the basis of unemployment statistics for regions, States, or subdivisions of States.".

SEC. 303. REPORT ON METHOD OF ALLOCATING ADMINISTRATIVE FUNDS AMONG STATES.

(a) IN GENERAL.—The Secretary of Labor shall submit to the Congress, within the 12-month period beginning on the date of the enactment of this Act, a comprehensive report setting forth a proposal for revising the method of allocating grants among the States under section 302 of the Social Security Act.

(b) SPECIFIC REQUIREMENTS.—The report required by subsection (a) shall include an analysis of—

(1) the use of unemployment insurance workload levels as the primary factor in allocating grants among the States under section 302 of the Social Security Act,

(2) ways to ensure that each State receive not less than a minimum grant amount for each fiscal year,

(3) the use of nationally available objective data to determine the unemployment compensation administrative costs of each State, with consideration of legitimate cost differences among the States,

(4) ways to simplify the method of allocating such grants among the States,

(5) ways to eliminate the disincentives to productivity and efficiency which exist in the current method of allocating such grants among the States,

(6) ways to promote innovation and cost-effective practices in the method of allocating such grants among the States, and

(7) the effect of the proposal set forth in such report on the grant amounts allocated to each State.

(c) CONGRESSIONAL REVIEW PERIOD.—The Secretary of Labor may not revise the method in effect on the date of the enactment of this Act for allocating grants among the States under section 302 of the Social Security Act, until after the expiration of the 12-month period beginning on the date on which the report required by subsection (a) is submitted to the Congress.

SEC. 304. ASSISTANCE TO CERTAIN DISLOCATED WORKERS.

For the purposes of determining the programs and activities to be funded under part B of title III of the Job Training Partnership Act in program years 1991 and 1992, the Secretary of Labor shall give special consideration to providing services to dislocated workers in the timber industry in the States of Washington and Oregon.

TITLE IV—BUDGET PROVISIONS

SEC. 401. TREATMENT UNDER PAY-AS-YOU-GO PROCEDURES.

(a) DESIGNATION AS EMERGENCY.—The provisions of (and amendments made by) this Act shall be treated as provisions designated as emergency requirements by the President and the Congress under section 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985.

(b) NEW BUDGET AUTHORITY, ETC. NOT CONSIDERED.—Any amount of new budget authority or outlays resulting from the provisions of (and amendments made by) this Act shall not be considered for any purpose under the Balanced Budget and Emergency Deficit Control Act of 1985.

SEC. 402. EXEMPTION OF EMERGENCY UNEMPLOYMENT COMPENSATION FROM SEQUESTRATION.

Payments under title I of this Act (relating to emergency unemployment compensation) shall be exempt from any order issued under part C of the Balanced Budget and Emergency Deficit Control Act of 1985.

And the House agree to the same.

That the House recede from its amendment to the title of the bill.

DAN ROSTENKOWSKI,
THOMAS J. DOWNEY,
HAROLD FORD,
BARBARA B. KENNELLY,
MICHAEL A. ANDREWS,
Managers on the Part of the House.

LLOYD BENTSEN,
GEORGE MITCHELL,
DON RIEGLE,
BOB PACKWOOD,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1722) to provide emergency unemployment compensation, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

GENERAL DESCRIPTION

The Emergency Unemployment Compensation Act of 1991 (S. 1722), as agreed to by House and Senate conferees, has three major objectives. First, it establishes a time-limited program of emergency unemployment compensation benefits to assist unemployed workers who have exhausted their benefits under the current unemployment programs. Second, it corrects an inequitable situation whereby unemployed, former members of the armed forces must wait longer to receive regular unemployment benefits and receive fewer weeks of benefits than civilians who become unemployed. Finally, the conference agreement establishes an unemployment compensation advisory council which will meet every four years to review the status of the unemployment program and recommend needed improvements.

In addition, the conference agreement establishes a demonstration program to test the effectiveness of providing job search services to unemployment compensation claimants, and directs the Secretary of Labor to report to the Congress on an improved method of allocating unemployment compensation administrative funds among States.

The conference agreement provides that all provisions of the Act shall be treated as provisions designated as emergency requirements by the President and the Congress under the terms of the Budget Act, and no spending resulting from the Act shall be considered for any purpose under the Budget Act. The agreement also provides that payments for emergency benefits are exempt from sequester. The cost of emergency unemployment compensation benefits is Federally financed from existing balances in the Extended Unemployment Compensation Account of the Unemployment Trust Fund.

TITLE I.—EMERGENCY UNEMPLOYMENT COMPENSATION

Present law.—Under current law, the Extended Benefits program provides for the payment of a maximum of 13 additional weeks of benefits after an unemployed worker has received the 26 weeks (maximum) of regular benefits provided under State law. The ex-

tended benefits program is activated when: (1) a State's insured unemployment rate has averaged at least 5 percent for 13 consecutive weeks, and (2) that rate is at least 20 percent higher than the State's average insured unemployment rate for the corresponding 13-week period in the 2 preceding years. At their option, States may apply an alternative trigger mechanism. Under the alternative, extended benefits can be paid if a State's insured unemployment rate is at least 6 percent, even though the rate is less than 20 percent higher than the rate in the preceding 2 years. Thirty seven States, the District of Columbia, Puerto Rico, and the Virgin Islands have adopted this alternative trigger mechanism.

Fifty percent of the benefits paid under the Extended Benefits program are paid for with State funds. The remaining 50 percent are paid from Federal funds drawn from the Extended Unemployment Compensation Account in the Unemployment Trust Fund.

Senate bill.—The bill establishes a temporary program of emergency unemployment compensation benefits, to be in effect from October 6, 1991 through July 4, 1992. The program would pay Federally-funded benefits to unemployed workers who had exhausted their benefit rights under the regular unemployment compensation program, and to certain workers who had exhausted the additional benefits available to them under the Extended Benefit program.

A. Scope and duration of emergency benefits

Beginning in October all States would be eligible to provide emergency unemployment compensation benefits financed entirely by the Federal government. The bill would establish three levels of weeks of eligibility for these emergency benefits. The number of weeks of benefits payable to an unemployed worker who had exhausted regular unemployment benefits in a particular State would be determined by the average total unemployment rate, or TUR, in that State for the most recent six months for which data are available:

States with a TUR of 8 percent or higher would be eligible to provide 20 weeks of benefits;

States with a TUR of 7 percent up to 8 percent would be eligible to provide 13 weeks of benefits;

All other States would be eligible to provide 7 weeks of benefits (including the Virgin Islands).

At any time that a State was not eligible for one of the two higher levels of benefits, unemployed workers in the State who exhausted their regular unemployment benefits would be eligible for 7 weeks of emergency benefits.

B. Eligibility for emergency benefits

Emergency unemployment compensation benefits would be paid to unemployed workers who exhaust their regular unemployment benefits during the effective period of the program, October 6, 1991 through July 4, 1992.

The bill also "reaches back" to aid workers in States with higher levels of unemployment who exhausted their regular employment benefits in the six-month period prior to the start of the emergency program. Unemployed workers who exhausted benefits after March 1, 1991 and before the first week beginning after October 5 would

be eligible to receive 7, 13, or 20 weeks of benefits in eligible States. The "reach back" would not be available in States that do not have a six percent TUR period in effect as of September 1 or October 6, 1991.

Some unemployed workers who had received extended benefits and exhausted their eligibility for them, either during the effective period of the program or during the "reach back" period, would also be eligible for emergency benefits. The bill provides that the number of weeks of extended benefits the worker received would be deducted from the number of weeks of emergency benefits available in the State. The number of weeks of emergency benefits that remained, if any, would be paid to the worker.

C. Other benefit provisions

The Senate provision is structured to ensure that an unemployed worker receives the maximum number of weeks of benefits to which the worker is entitled, and to prevent any sudden and unexpected removal of a worker from benefit status if a State "triggers off" while the worker is in the middle of a benefit period. Once a State's average TUR has caused it to "trigger on" for a 13- or 20-week period of emergency benefits, the State would remain triggered on for at least 13 weeks, even if its TUR declined during this period.

Alternatively, if a State's average unemployment rate were to increase so that the State qualified for a higher number of weeks of benefits, workers in that State would receive the additional benefits. Further, once an unemployed worker became eligible for 7, 13, or 20 weeks of emergency benefits, the worker would be paid benefits for all weeks to which he or she was entitled, even if the State "triggered off" or the program expired before the worker had received the full number of weeks of benefits.

D. Measure for triggering benefits

To determine the number of weeks of benefits which may be paid in the State, the bill requires the Secretary of Labor to use the average unadjusted total rate of unemployment for a State for the most recent 6-calendar month period for which data are available.

E. Funding source for emergency benefits

All benefits are fully Federally-funded out of the Extended Unemployment Compensation Account.

House amendment.—The House amendment establishes a new permanent Federal Supplemental Compensation program that would replace the current Extended Benefits program. It would provide three tiers of benefits added to the 26 weeks of regular State benefits. A temporary provision would add a fourth tier during fiscal year 1992.

A. Scope and duration of benefits

Beginning the month after the month of enactment, all States would be eligible to provide supplemental benefits financed entirely by the Federal government. The number of weeks of benefits payable in a State would be based on the State's seasonally-adjusted total unemployment rate for the most recent three months.

States would be eligible for the following weeks of benefits:

20 weeks if the TUR is at least 8 percent and is at least 120 percent of the average in the same three-month periods during the last two years;

15 weeks if the TUR is at least 7 percent (plus at least 120 percent); and

10 weeks if the TUR is at least 6 percent (plus at least 120 percent).

In addition, in fiscal year 1992, all States not otherwise eligible for a higher benefit period would be eligible for five weeks of benefits if the three-month moving average of the seasonally adjusted national TUR is at least 6 percent.

B. Eligibility for benefits

Benefits would be paid to unemployed workers who exhaust their regular unemployment benefits under State law after the effective date of the program.

In addition, workers who have exhausted regular benefits before the effective date, but on or after January 1, 1991, would be eligible under a "reach back" provision for 5, 10, 15, or 20 weeks of benefits depending on the number of weeks activated in their States upon enactment.

C. Other benefit provisions

The House amendment includes provisions that are similar to those in the Senate bill.

D. Measure for triggering benefits

To determine the number of weeks of benefits which may be paid in a State, the House amendment requires the Secretary to use the three-month moving average of the State's seasonally adjusted total unemployment rate. However, until the Bureau of Labor Statistics is able to adjust State rates for seasonal fluctuations, a six-month moving average of unadjusted rates would be used instead.

E. Funding source for benefits

Most benefits are paid out of Federal funds in the Extended Unemployment Compensation Account. Benefits for employees of nonprofit organizations and governmental agencies are paid out of general revenues.

F. Repeal of existing program

The existing Extended Benefits program is repealed the month after the month of enactment.

Conference agreement.—The conference agreement follows the Senate bill, modified to provide an effective date for the "reach back" provision of March 1, 1991. It also clarifies that the data to be used in determining a State's TUR would be for the most recent six calendar month period for which data have been published.

TITLE II.—DEMONSTRATION PROGRAM TO PROVIDE JOB SEARCH

Present law.—Federal law is silent on eligibility conditions for unemployment benefits. However, under State laws, all States re-

quire claimants to be able to work and available for work. Also, most States require the claimant to register with a local employment office and to seek work actively or to make a reasonable effort to obtain work.

Senate bill.—No provision.

House amendment.—The House amendment authorizes three State demonstration projects to assess the cost-effectiveness of intensive job search services for unemployment compensation claimants. Claimants who have at least 126 weeks of employment at $30 per week with their last employer in the last three years may be required to participate in an intensive job search program after they have received 6 to 10 weeks of regular State benefits. However, no more than five percent of the claimants for unemployment compensation in a State could be selected to participate. Workers with definite recall dates or those hiring out of union halls would not be eligible to participate.

Lack of compliance could lead to disqualification of up to 10 weeks of benefits. However, States may waive the requirement for participation if the individual shows good cause.

Participants would be entitled to a voucher worth the lesser of the average weekly benefit (about $167 nationwide) in their State of residence or the reasonable cost of providing the services. Costs of operating a job search program would be funded out of the Federal Supplemental Compensation Account.

Intensive job search assistance would include all basic employment services such as orientation, testing, a job-search workshop, and an individual assessment and counseling interview. Additional services would involve periodically contacting the intensive job search assistance program staff, receiving follow-up assistance, and using resource centers and job search materials and equipment, such as telephones, job listings, and word processors for resume writing.

Demonstration projects would last for one year. States would be required to evaluate their programs and to submit interim reports to the Congress, with a final report due no later than five years after the commencement of each project.

The provision would be effective upon enactment.

Conference agreement.—The conference agreement follows the House amendment.

TITLE III.—OTHER PROVISIONS

A. Payment of unemployment compensation to former members of the Armed Forces

Present law.—Under current law, regular unemployment compensation benefits are payable to unemployed ex-service members who (1) are separated under honorable conditions (and in the case of officers, did not resign for the good of the service); and (2) have completed the first full term of active service. Ex-service members who are separated prior to completing their first full term of active service can also qualify for unemployment compensation benefits if they are separated under honorable conditions: (1) for the convenience of the Government under an early release program; (2) because of medical disqualifications, pregnancy, parenthood, or any

service-incurred injury or disability; (3) because of hardship; or (4) if they have served for 365 continuous days, because of personality disorder or inaptitude.

Through most of the history of the Unemployment Compensation program, ex-service members received the same number of weeks of benefits as civilians, and benefits were payable to service members after waiting the same length of time as civilians had to wait. In 1982 the law was amended so that ex-service members must wait four weeks from the date of their separation from the service before they may receive benefits. Civilians serve a one-week waiting period. Ex-service members can receive regular unemployment compensation benefits based on employment in the military for a maximum of 13 weeks. Civilians receive regular unemployment benefits for up to 26 weeks.

To be used as the basis for paying unemployment compensation benefits, active duty service by a member of a reserve military component must have been for not less than 180 consecutive days.

Senate bill.—The Senate bill would repeal the provision enacted in 1982 requiring ex-service members to wait four weeks before being eligible for unemployment compensation benefits, and limiting the duration of their benefits to 13 weeks. It would also reduce from 180 to 90 the number of consecutive days an individual in a reserve military component must serve on active duty before that service may be counted for purposes of eligibility for benefits.

House amendment.—The House amendment is the same as the Senate bill.

Conference agreement.—The conference agreement follows the Senate bill and the House amendment.

B. Advisory Council on Unemployment Compensation

Present law.—Title IX of the Social Security Act requires the Secretary of Labor to establish a Federal Advisory Council on unemployment compensation. The number of members must not exceed 16, including the chairman. The Council's purpose is to review the Federal-State unemployment compensation system and to make recommendations for change to the Secretary.

The Council is appointed by the Secretary, and members must consist of representatives of employers and employees, in equal numbers, and the public. The Council held its last formal meeting on April 22 and 23 of 1981. Its charter expired in 1986.

Senate bill.—The bill would repeal present law and establish a new Advisory Council on Unemployment Insurance. The Council would be patterned after the advisory councils established for the Social Security program.

The Secretary of Labor would establish the first Advisory Council on Unemployment Compensation not later than February 1, 1992. Subsequent Advisory Councils would be appointed every fourth year after the appointment of the first Council. Each Advisory Council would be comprised of 11 members: three members appointed by the President pro tempore of the Senate, in consultation with the Chairman and Ranking Member of the Committee on Finance; three members appointed by the Speaker of the House, in consultation with the Chairman and Ranking Member of the Com-

mittee on Ways and Means; and five members appointed by the President. The Chairman would be appointed by the President.

Selections made by the President would be required to include representatives of business, labor, State government, and the public. The President pro tempore of the Senate and the Speaker of the House would each appoint one representative of business, one representative of labor, and one representative of the interests of State governments.

The function of each Advisory Council would be to evaluate the unemployment compensation program, including the purpose, goals, countercyclical effectiveness, coverage, benefit adequacy, trust fund solvency, funding of State administrative costs, administrative efficiency, and any other aspects of the program, and to make recommendations for improvement. The bill specifically directs the first Advisory Council to include in its report findings and recommendations with respect to determining eligibility for extended unemployment benefits on the basis of unemployment statistics for regions, States, and subdivisions of States. The report of the first Council is due February 1, 1994.

Each Council would be authorized to engage any technical assistance required to carry out its functions, including actuarial services. The Secretary of Labor would provide each Council with any staff, office facilities, and other assistance, and any data prepared by the Department of Labor, that are required by the Council to carry out its functions.

The Senate provision would be effective upon enactment.

House amendment.—The House amendment is similar to the Senate bill. It repeals present law and establishes a new Advisory Council on Unemployment Insurance modeled after the quadrennial advisory councils established for the Social Security program. The Council would report to the Congress on the counter-cyclical effectiveness, benefit adequacy, solvency, and administrative efficiency of the unemployment program.

The Council would have 16 members plus the Secretary of Labor. The President would appoint eight members and the Congress would appoint eight members. There would be four members each from the Congress, business, labor, and State government. The Secretary of Labor would serve as chairman.

The provision would be effective upon enactment.

Conference agreement.—The conference agreement follows the Senate bill.

C. Report on method of allocating administrative funds among States

Present law.—Federal law authorizes appropriations to assist States in the administration of their unemployment compensation laws. The Secretary of Labor certifies to the Secretary of Treasury for payment to States such amounts as the Secretary determines to be necessary for the proper and efficient administration of unemployment compensation during the fiscal year for which the payment is made. The Secretary of Labor's determination must be based on the population of the State, an estimate of the number of persons covered by the State's unemployment compensation law and the cost of proper and efficient administration of such law, and

such other factors as the Secretary of Labor finds relevant. The Secretary of Labor may not certify for payment a total amount which exceeds the amount appropriated for the fiscal year.

Senate bill.—No provision.

House amendment.—The Department of Labor would be required to send a report to the Congress with a proposal for revising the method for distributing administrative grants to States. The report would be required to include an analysis of various factors such as productivity, cost, workload levels, and simplicity.

The provision would be effective upon enactment.

Conference agreement.—The conference agreement follows the House amendment.

D. Assistance to certain dislocated workers

Present law.—Under Part B of Title III of the Job Training Partnership Act (JTPA), the Secretary of Labor has discretionary authority to spend funds on employment and training services for dislocated workers in certain circumstances, such as unforeseen mass layoffs for which regular Title II State allocations are inadequate. The Secretary may target such assistance on specific industries.

Senate bill.—The Senate bill directs the Secretary of Labor to give special consideration to providing services to dislocated timber workers in Oregon and Washington for purposes of determining the programs and activities to be funded under Part B of Title III of JTPA.

House amendment.—No provision.

Conference agreement.—The conference agreement follows the Senate bill.

TITLE IV. BUDGET PROVISIONS

A. Emergency designation

Present law.—The Balanced Budget and Emergency Deficit Control Act of 1985 (Gramm-Rudman-Hollings), as amended by the Budget Enforcement Act of 1990, provides that new outlays to meet an emergency requirement may be exempted from spending caps and from causing sequestration as a result of failure to meet pay-as-you-go requirements. Part C of the Act, in sections 251(b)(2)(D) and 252(e), provides that if the President designates a provision as an emergency requirement, and the Congress also so designates in statute, then the spending authorized by any such provision will not be counted for purposes of the Gramm-Rudman-Hollings enforcement procedures.

Senate bill.—The bill provides for designating all direct spending amounts and all appropriations authorized by the bill as emergency requirements within the meaning of part C of the Balanced Budget and Emergency Deficit Control Act of 1985. However, the bill also stipulates that no provisions will take effect unless, not later than the date of enactment, the President submits to the Congress a written designation of all spending authorized by the bill as emergency requirements within the meaning of the Budget Act.

House amendment.—The House amendment provides that its provisions would constitute an emergency within the meaning of section 252(e) of the Balanced Budget and Emergency Deficit Con-

trol Act of 1985, as amended. Notwithstanding the cost estimate, any amount of new budget authority, outlays, or receipts resulting from the bill would not be considered for any purpose of the Balanced Budget and Emergency Deficit Control Act of 1985.

Conference agreement.—The conference agreement follows the House amendment with a technical correction.

B. Exemption of Federal supplemental compensation from sequestration

Present law.—The Federal half of Federal-State Extended Benefits is subject to sequestration under the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

Senate bill.—No provision.

House amendment.—Benefits provided under the new supplemental benefits program would be exempted from sequestration.

Conference agreement.—The conference agreement follows the House amendment.

Provisions Not Included in the Conference Agreement

A. Modifications to Federal unemployment accounts

Present law.—Generally, State accounts in the Federal unemployment trust fund earn interest on funds not required to meet current withdrawals at a rate equal to the average rate of interest of all interest-bearing obligations of the United States forming the public debt.

The Federal unemployment tax on employers is 0.8 percent on the first $7,000 paid annually to each employee. It flows into three Federal accounts: (1) the Employment Security Administration Account (ESAA); (2) the Extended Unemployment Compensation Account (EUCA); and (3) the Federal Unemployment Account (FUA).

The ESAA holds funds for the administration of the Unemployment Insurance and Employment Services. The EUCA holds funds to cover the Federal half of the Extended Benefits (EB) program. The FUA holds funds to lend to States who run out of money in their accounts to cover State benefits and the State half of the EB program.

Currently 90 percent of the 0.8 percentage point (0.72 percentage points) Federal unemployment tax flows into ESSA. The remaining 0.08 percentage point is transferred monthly to EUCA. Up to 95% of the estimated net revenue after this transfer is available to be appropriated for State administrative costs.

The remaining balance is available for Federal administrative costs. At the end of the fiscal year, any excess above 40 percent of the appropriation for the prior fiscal year is transferred to EUCA.

EUCA receives the 0.08 percentage point of the Federal unemployment tax plus any overflows from ESAA. It has a ceiling of 0.375 percent of total wages in covered employment in the prior calendar year. If the ESAA and EUCA are full, any excess at the end of the fiscal year is transferred to the FUA. If the ESAA is not full, the excess is transferred to ESAA and then any remaining funds go to FUA or EUCA to the extent that they are not full.

FUA does not receive Federal unemployment taxes directly. If ESAA and EUCA are full at the end of the fiscal year, FUA re-

ceives the excess funds. If all three accounts are full, the excess is allocated to the State accounts in the unemployment trust fund in proportion to each State's share of Federal unemployment taxes paid in the prior calendar year.

Senate bill.—No provision.

House amendment.—The provision would authorize a tiered interest rate structure to reward States for maintaining adequate balances. Interest rates on State balances would earn premiums of 5, 10, and 15 percent higher than the current interest rate if their "high-cost multiples" in the previous quarter exceeded 0.5, 1.0, and 1.5 respectively. The high-cost multiple equals a State's current trust fund balance expressed as a percent of total wages paid in the State divided by the highest ratio of benefit costs to total wages for a 12-month period in the State's experience.

The provision would change the flow of Federal unemployment tax revenue into the three Federal Accounts such that ESAA would receive 80 percent. EUCA and FUA each would receive 10 percent of the annual revenue. The overflows would continue to work as under present law. Interest-free borrowing would be authorized between the accounts. The ceiling in the loan account would be lowered from 0.625 to 0.375 percent of total annual wages. The ceiling on EUCA would be raised from 0.375 to 0.625 percent of total annual wages, and it would be renamed the Supplemental Compensation Account.

Conference agreement.—The conference agreement does not include the House amendment.

B. COST ESTIMATE

Present law.—Section 254 of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended by the Budget Enforcement Act of 1990, provides that the Office of Management and Budget shall determine and report on amounts to be sequestered to enforce spending limits, pay-as-you-go targets, and deficit targets. If in its final sequestration report OMB estimates than any sequestration is required, the President shall issue an order fully implementing without change all sequestrations required by the OMB calculations set forth in that report.

Senate bill.—No provision.

House amendment.—As required by House rules, the total dollar amounts of outlays and receipts resulting from the provisions of the bill in fiscal years 1991 through 1995, as estimated by the Congressional Budget Office, are written into the bill.

Conference agreement.—The conference agreement does not include the House amendment.

C. INTERNATIONAL COFFEE AGREEMENT

Present law.—The International Coffee Agreement is a multilateral commodity agreement, first negotiated in 1962, between consumer and producer countries. Its objective is to stabilize coffee prices and assure adequate supplies of coffee to consuming nations. Negotiations on the renewal of the agreement were broken off in 1989. The statutory authority for U.S. participation in the agreement expired on October 1, 1989.

Senate bill.—The bill contains a Sense of the Senate resolution stating that the International Coffee Organization, through its export quota system, acts like a cartel and directly against the interests of American consumers by keeping prices at artificially high levels.

The resolution expresses the sense of the Senate that the United States should not be a party to any coffee agreement which will increase the price of coffee to the American consumer.

House amendment.—No. provision.

Conference agreement.—The conference agreement does not include the Senate provision.

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Managers on the Part of the House.

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Managers on the Part of the Senate.

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